

AN ORDINANCE

100870

AUTHORIZING THE NEGOTIATION OF TERMS AND CONDITIONS OF A TAX PHASE-IN AGREEMENT WITH WASHINGTON MUTUAL BANK TO EXEMPT ONE HUNDRED PERCENT (100%) OF AD VALOREM TAXATION FOR TEN (10) YEARS ON PERSONAL PROPERTY IMPROVEMENTS OF \$7.2 MILLION; APPROVING EXCEPTIONS TO THE TAX PHASE-IN GUIDELINES TO ALLOW FOR THE LOCATION OF THE PROPERTY TO BE ON THE EDWARDS AQUIFER RECHARGE ZONE AND TO ALLOW FOR A TEN (10) YEAR TERM VERSUS A SIX (6) YEAR TERM; AUTHORIZING THE EXECUTION OF SAID AGREEMENT PROVIDED WASHINGTON MUTUAL BANK LOCATES ITS REGIONAL OPERATIONS CENTER IN THE WASHINGTON MUTUAL REINVESTMENT ZONE.

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WHEREAS, Washington Mutual Bank (hereinafter referred to as "Washington Mutual") a federal banking association, is the nation's sixth (6th) largest financial services holding company and the third (3rd) largest mortgage lender, operates more than 2,300 offices and employs more than 55,000 people nationwide; and

WHEREAS, Washington Mutual is seeking to locate a Regional Operations Center (the "Center") in San Antonio and has identified a facility located on a 75 acre tract of land at 20855 Stone Oak Parkway, in San Antonio, Texas, the former site of WorldCom, more particularly described in Exhibit "A" attached hereto and incorporated herein; and

WHEREAS, Washington Mutual is prepared to make an initial investment of \$7.2 million in personal property improvements to the existing facilities and to construct an additional structure in order to house at least 3,000 newly hired employees; and

WHEREAS, as an incentive to establish the Center in San Antonio and reinvest in the property, Washington Mutual has requested a 10-year, 100% tax phase-in on \$7.2 million in personal property improvements, as more particularly described in Attachment I; and

WHEREAS, the project is eligible for an abatement term of up to six (6) years since it is outside Loop 410 and north of U.S. Highway 90, but due to the exceptional investment it is prepared to make, Washington Mutual is seeking a ten (10) year term and requests that City Council approve this exception to the City's Tax Phase-In Guidelines; and

WHEREAS, Washington Mutual is also requesting that City Council approve an exception to the City's Tax Phase-In Guidelines by approving the location of the Center over the Edwards Aquifer Recharge Zone; and

WHEREAS, Washington Mutual offers its employees and dependents an excellent benefits package including health insurance, a retirement savings plan, and tuition reimbursements; and

WHEREAS, the City Council finds that the proposed Washington Mutual project furthers the objectives of the Economic Development Department and the City of San Antonio in promoting the development of local business interests and job creation; and

WHEREAS, the City Council also finds that authorizing and approving the proposed Tax Phase-In Agreement with Washington Mutual for its personal property improvements is a reasonable incentive to help induce Washington Mutual to locate its Regional Operations Center in San Antonio; and

WHEREAS, the City Council also finds that it is in the best interest of the City to approve a Tax Phase-In Agreement with Washington Mutual to induce the desired and beneficial economic development in the area and to approve exceptions to the City's Tax Phase-In Guidelines regarding the term of the abatement and the location of the Center; **NOW THEREFORE:**

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

SECTION 1. The City Council hereby approves exceptions to the City's Tax Phase-In Guidelines for a Tax Phase-In Agreement with Washington Mutual providing for a ten (10) year term of tax abatement and a location over the Edwards Aquifer Recharge Zone.

SECTION 2. The City Council authorizes the negotiation of terms and conditions of a Tax Phase-In Agreement with Washington Mutual, which Agreement shall grant a one hundred percent (100%), ten (10) year abatement of ad valorem taxes on personal property improvements made by Washington Mutual in an estimated amount of \$7.2 million in the Washington Mutual Reinvestment Zone, provided that Washington Mutual locates its Regional Operations Center in the Zone. A copy of the Agreement, in substantially final form, is attached hereto and incorporated herein as Exhibit "A".


SECTION 3. The Interim City Manager or a designated representative is authorized to execute an Agreement as approved in Section 2. The final Agreement shall be filed with this ordinance upon execution.

SECTION 4. This ordinance shall be effective on and after the tenth day after passage hereof.

PASSED AND APPROVED this 12th day of May, 2005.


M A Y O R
EDWARD D. GARZA

ATTEST: 
City Clerk

APPROVED AS TO FORM: 
for City Attorney